

Social Media Listening: Revealing the Indirect Effects of User Generated Content (UGC) on Product Adoption

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ABSTRACT

Industry studies suggest social media listening espouses several advantages. Evidence from academic research however is lacking and the need to investigate its impact especially in the context of product development is needed. This research explores how UGC influences market outcomes indirectly via its impact on product development. Building on current findings from empowerment-product demand and new product adoption research, we propose that product improvements building on consumer social media conversations are more likely to succeed. Using a system of equations modeling in the open source software context, we verify that increasing forum posts lead to a greater number of codes added to the software as well as more versions released which, in turn, influence product adoption positively. Interestingly, the impact of the number of codes on software download follows an inverted-U relationship. This relationship is consistent with previous findings on the diminishing impact of the empowerment effects.

Our findings extend current understanding of the value of end-user contributions. Whereas previous research focuses on information voluntarily provided by users to product development team, our research suggests that even C2C communications provide insights to the development team and can influence market outcomes indirectly via product improvement.

Our results suggest that there is value in investing in social media listening tools. While social media is currently utilized for marketing communications, our research provides evidence for its potential to contribute to the development of products that may have a greater chance of success.

ABOUT THE AUTHORS

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